

Senate Bill No. 922

CHAPTER 431

An act to add Chapter 2.8 (commencing with Section 2500) to Part 1 of Division 2 of the Public Contract Code, relating to public contracts.

[Approved by Governor October 2, 2011. Filed with
Secretary of State October 2, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

SB 922, Steinberg. Public contracts: public entities: project labor agreements.

Existing law sets forth the requirements for the solicitation and evaluation of bids and the awarding of contracts by public entities.

This bill would authorize a public entity to use, enter into, or require contractors to enter into, a project labor agreement for a construction project, if the agreement includes specified taxpayer protection provisions.

This bill would authorize the members of the governing board of a local public entity to choose by majority vote whether to use, enter into, or require contractors to enter into a project labor agreement for a specific project or projects awarded by that entity and whether to allocate funding to a specific project covered by such an agreement. This bill would prohibit a charter provision, initiative, or ordinance from preventing the governing board of a local public entity, other than a charter city, from exercising this authority on a project-specific basis.

This bill would also provide that if a charter provision, initiative, or ordinance of a charter city prohibits the governing board's consideration of a project labor agreement for a project to be awarded by the city, or prohibits the governing board from considering whether to allocate funds to a city-funded project covered by such an agreement, then state funding or financial assistance may not be used to support that project, as specified.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Project labor agreements can provide significant benefits to taxpayers by insulating construction projects against uncertainties, promoting transparent competition, and ensuring a reliable supply of labor.

(b) Projects differ and project labor agreements differ. All taxpayers' interests are best served by ensuring that:

(1) All project labor agreements used for public projects must contain fundamental taxpayer protections.

(2) Local governments are free to choose whether to adopt or not to adopt project labor agreements containing these taxpayer protections for a particular project or projects.

SEC. 2. Chapter 2.8 (commencing with Section 2500) is added to Part 1 of Division 2 of the Public Contract Code, to read:

CHAPTER 2.8. PROJECT LABOR AGREEMENTS

2500. (a) A public entity may use, enter into, or require contractors to enter into, a project labor agreement for a construction project only if the agreement includes all of the following taxpayer protection provisions:

(1) The agreement prohibits discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project.

(2) The agreement permits all qualified contractors and subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements.

(3) The agreement contains an agreed-upon protocol concerning drug testing for workers who will be employed on the project.

(4) The agreement contains guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project.

(5) The agreement provides that disputes arising from the agreement shall be resolved by a neutral arbitrator.

(b) For purposes of this chapter, both of the following definitions apply:

(1) “Project labor agreement” means a prehire collective bargaining agreement that establishes terms and conditions of employment for a specific construction project or projects and is an agreement described in Section 158(f) of Title 29 of the United States Code.

(2) “Public entity” means a public entity as defined in Section 1100.

2501. The members of the governing board of a local public entity may choose by majority vote whether to use, enter into, or require contractors to enter into a project labor agreement that includes all the taxpayer protection provisions of Section 2500 for a specific project or projects awarded by that entity and whether to allocate funding to a specific project covered by such an agreement. A charter provision, initiative, or ordinance shall not prevent the governing board of a local public entity, other than a charter city, from exercising this authority on a project-specific basis.

2502. If a charter provision, initiative, or ordinance of a charter city prohibits the governing board’s consideration of a project labor agreement that includes all the taxpayer protection provisions of Section 2500 for a project to be awarded by the city, or prohibits the governing board from considering whether to allocate funds to a city-funded project covered by such an agreement, then state funding or financial assistance shall not be used to support that project. This section shall not be applicable until January 1, 2015, for charter cities in which a charter provision, initiative, or ordinance

in effect prior to November 1, 2011, would disqualify a project from receiving state funding or financial assistance.

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